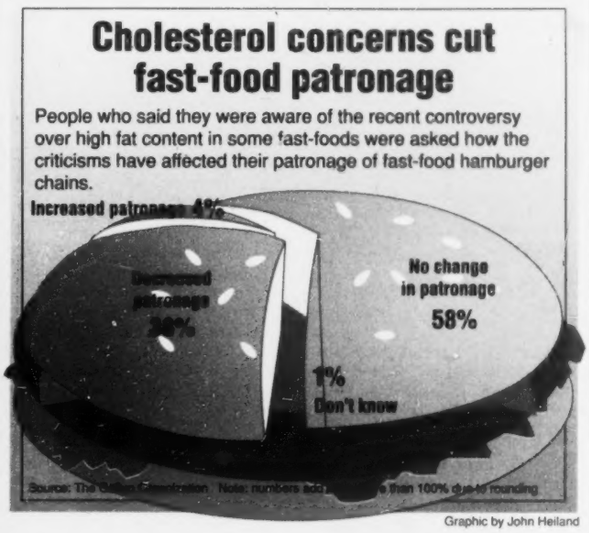
0 14302 76871 1 27
C2710-1
NEWSPAPER
#4B**********5-DIGIT 20814
#020190949 6#01AA02752 99BOZ
CONGRESSIONAL INFO SERVICE
SRI ACQUISITIONS
4520 EAST-WEST HWY #800
BETHESDA MD 20814

Advertising Age

July 2, 1990

Crain's International Newspaper of Marketing • $2.00 • $2.50 in Canada • £3.50 in U.K.

Copyright 1990 by Crain Communications Inc.


Cholesterol concerns cut fast-food patronage
People who said they were aware of the recent controversy over high fat content in some fast-foods were asked how the criticisms have affected their patronage of fast-food hamburger chains.
Increased patronage 4%
Decreased patronage 39%
No change in patronage 58%
Don't know 1%

Graphic by John Heiland

Ad industry arms for new tax battle

Deductibility likely to become issue again

By Steven W. Colford

WASHINGTON—President Bush's announcement that higher taxes may be included in any deficit-reduction package triggered a new wave of concern among advertising and media groups that tax proposals are headed their way.

President Bush last week said the "size of the deficit problem" may require "tax revenue increases," and that prompted an instant summit among industry leaders here.

"When the president said we have to consider new options for revenues, he put us back on table as being potential tax targets," said Hal Shoup, VP at the American Association of Advertising Agencies.

The biggest issue is the full tax deductibility that advertising, as a cost of doing business, now enjoys.

A congressional aide—who works for Rep. Pete Stark (D., Calif.), longtime sponsor of legislation to deny deductibility to tobacco and alcohol advertisers—said President Bush's statement dramatically changed the climate for raising taxes.

The aide said it's more than

(Continued on Page 30)

Fast-food faces wary public

GALLUP SURVEY

By Scott Hume

A significant percentage of consumers are making fewer trips to fast-food chains following public charges about high-fat foods, an *Advertising Age*/Gallup Organization survey shows.

Almost 40% of those respondents who were aware of saturated-fat and cholesterol charges said they had cut back fast-food eating either "somewhat" or "greatly" in the past 30 days.

Consumers surveyed said their declining patronage applied to all such chains, not just McDonald's Corp., even though it was McDonald's that came under attack by crusader Phil Sokolof. Mr. Sokolof's advocacy ads claimed some of that chain's food is too high in saturated fat and cholesterol.

Other fast-food chains have tried to distance themselves from McDonald's by promoting changes in products or cooking methods that reduce the amount of fat in their foods.

In April, in page newspaper ads from his National Heart Savers Association and in subsequent appearances on TV news programs, Mr. Sokolof charged McDonald's is part of a "poisoning of America."

The chain's use of both beef fat for french fry cooking and hamburger meat that's too high in saturated fat contributes to the nation's high rate of heart disease, he said.

The fast-food industry responded quickly. McDonald's said it's testing the cooking of

(Continued on Page 32)

Tampons go for green

J&J, Tambrands use environmental claims

By Judann Dagnoli

A new wave of environmental ad efforts is turning up in a rather unexpected marketing category—feminine hygiene products.

The ad strategies, from Johnson & Johnson Personal Products Co. and Tambrands, are partly a reaction to garbage, including medical waste and tampon applicators, that has washed up on the nation's shores in recent years.

J&J is the latest to join the environmental bandwagon, this week breaking a $2 million campaign calling its o.b. tampon an environmental alternative because it comes wrapped in a biodegradable film, with no applicator to throw away.

The network TV and radio campaign, themed "Everything I want, and no waste," is from Cadwell Davis Partners, New York.

The TV spot shows a young woman walking through a park, talking about why she uses that brand. At one point, she kicks a discarded soft-drink can and says, "When this environmental problem came along, I suddenly realized with o.b., no applicator to throw away means no waste."

An o.b. spot shows a woman talking about how using the non-applicator product means no waste.

In radio commercials breaking July 5, J&J gives rather humorous tips on how teens can clean up the environment. One spot suggests bringing coffee mugs into school to avoid using paper cups and another suggests swatting insects rather than using repellent, with exercise being a side benefit, said agency President Franchellie Cadwell. Promotions involve the giveaway of coffee mugs and fly swatters, she said.

GREEN

Market leader Tambrands is also planning an extensive environmental campaign involving consumers and the trade.

Tambrands is running a network TV spot that shows a woman walking in a meadow with the voice-over saying: "We thought

(Continued on Page 32)

LAST MINUTE NEWS

Headaches at Bauer

NEW YORK—Bauer Publishing's *First for Women* was left last week without a top sales executive in the U.S. Senior VP Todd Selbert left the Magazine Consultancy, which handles ad sales for *First* and sister publication *Woman's World*. This follows last month's departure of Exec VP J. Riley McDonough for *Newsweek* after just a few weeks at Bauer. The departures were the latest trouble for *First*, which cut its rate base 25% to 3 million in April and had to abandon a controversial plan for agency volume discounts. In addition, sources close to *First* said, the women's service monthly is carrying an average of 20 paid ad pages per issue, down from 37 last year. Bauer executives couldn't be reached.

Nuprin goes to JWT

NEW YORK—Bristol-Myers Products moved its $30 million Nuprin analgesic account to J. Walter Thompson USA, already the agency for the company's Gerber baby formula. Grey Advertising had handled Nuprin since its 1984 introduction. Grey remains a Bristol-Myers agency for products including Miss Clairol, Ultress and Windex.

Carl's Jr. sets review

ANAHEIM, Calif.—Carl's Jr., a West Coast fast-food chain, sent out letters to southern California agencies regarding a review of its estimated $20 million ac-

(Continued on Page 8)

INSIDE

David Appleby/Tri-Star Pictures

Arnold Schwarzenegger is the June Cover Story King -Page 19

Should marketers target blacks? P. 20 • **Lipstein's unstable empire** P. 33 • **Garfield does Cannes** P. 34

NEWS SUMMARY

■ **Deductibility of advertising** for tax purposes could be revised now that President Bush has opened the door to new taxes, ad industry groups warn. 1

■ **Feminine hygiene product** marketers are using a variety of environmental appeals in new ad campaigns for o.b. tampons and Tampax. 1

■ **Young & Rubicam's Anacin** account is under pressure as American Home Products tests an Anacin III commercial, via Partners & Shevack, that includes a tag for regular Anacin. 3

■ **L.A. Gear** is banking on the star quality of San Francisco 49ers quarterback Joe Montana and singer Michael Jackson, plus a $64.8 million marketing budget, to reverse a decline in earnings. 3

■ **Mitsubishi**, with a $120 million ad budget, is trying to dislodge Mazda from the No. 4 spot among U.S. auto importers. 3

■ **A French ban on ads** for tobacco and alcohol won National Assembly approval. Philip Morris said it may move its sponsorship of the Grand Prix race. 4

■ **Food labeling regulations** are a matter of debate in the Bush administration: Should state or federal rules prevail? 9

■ **Crystal Cruises**, a Japanese company, sets sail next month hoping to dominate the luxury end of the $6.3 billion cruise market. North America accounts for about 80% of the business. 11

■ **AT&T's new Universal card**, growing fast, is prompting speculation that competing cards will substantially beef up fourth-quarter marketing efforts. 12

■ **Sony audio and videotapes**, opening a new marketing battlefield, will get $14 million in ad support 12

■ **Classified advertising** linage, about 40% of newspapers' ad revenue, posts a decline. Revenues were off 6.4% in the first quarter and several publishers report continued slippage. 13

■ **FKB Group**, a financially strapped London-based company that owns eight U.S. sales promotion and direct marketing agencies, is seeking a new financial partner. 22

■ **A U.S.-Soviet newspaper** joint venture produced its first prototype of *WE/Mbl* but drew less advertising than anticipated by partners Hearst and *Izvestia*. 28

■ **A 6% tax on advertising** in-state proposed by a Pennsylvania legislator got little early support, but ad industry groups plan a counteroffensive. 29

■ **Competition for IBM's PS/1** is expected from Tandy when it introduces a home computer next month priced at $750 to $1,500, lower than IBM's new line. 31

■ **Independent TV stations** are making it easier for advertisers to buy "unwired networks"; Grey Advertising has already placed $10 million of upfront money. 32

DEPARTMENTS

Brady's Bunch	24	Index to Advertisers	34
Classified	26	Letters	17
Creativity supplement starts after Page	18	MediaWorks	19
		People Moving	24
Editorials	16	Photo Review	25
For the Record	29	Sales Promotion	20
Global Gallery	18	U.S. NewsWatch	10

Contents copyright 1990 by Crain Communications Inc. All rights reserved.

Vol. 61, No. 27—ADVERTISING AGE (ISSN 0001-8899) is published weekly by Crain Communications Inc. at 740 Rush Street, Chicago, Ill. 60611-2590. Second-class postage paid at Chicago and additional mailing offices. Send address changes to ADVERTISING AGE, Circulation Department, 965 E. Jefferson, Detroit, Mich. 48207. $2.00 a copy, $76 a year, $127 two years. Add $126 per year for air delivery to Europe & Middle East. Add $54 for surface mail to all other foreign countries. WILLIAM STRONG, VP-circulation; DAVE KELLEY, circulation manager. Four weeks' notice required for change of address. Address all subscription correspondence to Circulation Department, Advertising Age, 965 E. Jefferson, Detroit, Mich. 48207 1-800-992-9970. Microfilm copies are available from University Microfilms, 300 N. Zeeb Rd., Ann Arbor, Mich. 48103. Microfiche copies are available from Bell & Howell, Micro Photo Division, Old Mansfield Rd., Wooster, Ohio 44691. AD AGE is available for electronic retrieval on the NEXIS® Service, Mead Data Central, Inc., P.O. Box 933, Dayton, Ohio 45402 (800 227-4908).

ABP MPA ABC CMPA

New Apple president takes on marketing

By Bradley Johnson

Apple Computer, trying to boot up its sluggish U.S. sales, last week quietly eliminated its top domestic marketing post and turned over responsibilities to its new operations-minded U.S. president.

David Hancock, 44, senior VP-marketing of Apple USA, left on a company-mandated six-week sabbatical and will return to a post yet to be determined.

Robert Puette, 48, who filled the slot of Apple USA president last week, will take over Mr. Hancock's duties.

The changes came a week after Apple USA's top sales executive, Senior VP William Coldrick, 48, moved into a part-time advisory role. Michael Dionne, formerly a regional sales VP, succeeded him as VP-sales.

The management shifts cap a shake-up that began in January when Chairman-CEO John Sculley brought in Apple Europe President Michael Spindler, Wunderkind of Apple's international business, as chief operating officer to revive Apple's domestic operation.

Apple, long the practitioner of what one observer called "just-in-time marketing," has little time to spare. It still must decide what ad strategy to take with the expected October launch of a low-price Macintosh computer (AA, June 25), critical to re-establishing Apple's position on the low end.

It faces more competition from IBM Corp.'s new, entry-level PS/1 (AA, June 18). And it faces an assault from Microsoft Corp.'s Windows 3.0 software, which lets IBM-compatible personal computers mimic Macintosh's popular graphics features.

Management changes weren't unexpected given the dismal performance of Apple's U.S. arm. In the first half of fiscal 1990, ended March 30, Apple's U.S. sales fell 2% from a year ago to $1.7 billion; international sales soared 23% from a year ago to $1.2 billion.

D. Hancock

Mr. Puette, a 24-year Hewlett-Packard Co. veteran, had been general manager of Hewlett-Packard's PC division since 1981 and built it into a nearly $1 billion business. At Apple, he replaces Allan Loren, a one-time insurance industry executive who was forced out as Apple USA president in January. Mr. Spindler had been acting president since January.

Mr. Puette also takes over for Mr. Hancock, a Britisher who ran U.S. marketing for about two years and served in international posts earlier. Mr. Hancock left July 1 on a six-week sabbatical, a vacation mandated for all Apple employees every five years.

"When he returns, we will begin exploring new assignments," Mr. Spindler said in an internal memo.

Efforts to reach Mr. Hancock weren't successful.

In an interview, Mr. Puette said he intends to leave corporate vision and direction to Messrs. Spindler and Sculley.

"I don't like to be a dreamer," he said. "I like to be a great team builder, [an] implementer."

While Mr. Puette likely will look heavily to his bosses for ad strategies, he still vows to play an active role in advertising.

Mr. Puette leans toward a conservative, consistent ad approach, though, he said, occasionally "we might do a few wild hair things."

He said his favorite computer ads are two recent Apple spots from BBDO Worldwide, Los Angeles, in which an IBM PC devotee wonders how it could be that his company's employees flock to Macintoshes. As for Apple's breakthrough "1984" spot six years ago, Mr. Puette said, "I thought that was a bit bizarre."

Industry observers say Apple's latest management arrangement is also a bit bizarre in that Apple's best-known marketer, Mr. Sculley, isn't doing much marketing. Mr. Sculley, the ex-president of Pepsi-Cola Co., is focusing on product development; Mr. Spindler, an ex-engineer, is running worldwide operations and marketing; Mr. Puette, an

(Continued on Page 29)

Peugeot gets transparent

By Raymond Serafin

What can follow Infiniti's much-discussed don't-show-the-cars advertising? Maybe the now-you-see-it, now-you-don't TV spot from Peugeot Motors of America.

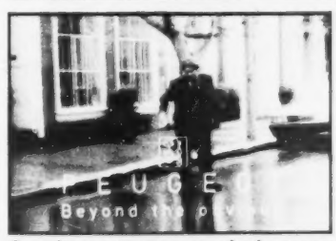
In the 30-second commercial breaking today on cable and spot TV, a Peugeot 405 sedan is heard, but the car and its driver are invisible to viewers and several people the car passes on a country road.

The first glimpse comes when the car is parked on a city street. The driver, a man in a business suit, is seen as he opens a still-invisible door, revealing some of the car's interior.

As the man walks away, he looks back at the car. This time, viewers see it with him as the voice-over says, "The Peugeot 405. It takes a special eye to appreciate it." The spot closes with a woman on a motorbike looking on in consternation as the man returns to the once-more invisible car to polish off some blemish with a handkerchief.

The TV spot closes with the theme line, "Beyond the obvious," which will also be used in print ads. Newspaper ads break in mid-July, followed by a variety of magazines beginning in August issues. HDM, New York, handles.

"It wasn't intended to be a parody of Infiniti, but some people in our test groups brought up the comparison," said Daniel Petit, national marketing manager for Peugeot.



A curious young woman looks on as a man polishes his invisible Peugeot, in a new spot from HDM, New York.

"We're really trying to go with our strength, which is to appeal to people who tend to be open-minded," he said. "We can't sell to someone who is worried because no one else on his block owns one."

"We're not trying to keep our car invisible to people," HDM President Patrick Hillman said. "We're trying to make it more visible by its absence in part of the communication."

Visibility is a chronic problem for Peugeot, with an estimated ad budget of about $20 million. The company sold 2,021 cars in the U.S. in the first five months of 1990, only 0.05% of the total car market.

The 405 was introduced in the U.S. two years ago after being named European Car of the Year but never has really taken off. The model had already received the bulk of Peugeot's ad spending but will get even more now that the larger 505 line is being discontinued except for a station wagon in the 1991 model year.

With a price range of $15,300 to $21,700, the 405's competitors range from top-of-line Honda Accords to entry-level products from BMW, Infiniti and Lexus.

Mr. Hillman said the "Beyond the obvious" theme is intended to last a long time. "Until Peugeot becomes obvious, it's a direction we can extend," he said.

Peugeot and HDM are also preparing a direct marketing effort that could reach as many as 100,000 people who travel to France, subscribe to French magazines or are French-language teachers.

While the direct mail piece will mention Peugeot's French origins, the general media campaign doesn't, because the image of French technology is weak.

"It's not that the image for French technology is so negative," Mr. Hillman said. "It's just that the image for other French things —style, perfume, fashion, love, sex, wine—is so strong. People look for simple labels, and it's not something we can fix with a few ads." □

LETTERS

Guaranteed pitfalls

Your editorial "DDB pay plan: A small step" (AA, May 21) correctly identified several problems inherent in the "guaranteed results" program proposed by Keith Reinhard.

Some may argue that the move is genius, an effective means of gaining more of their clients' overall marketing dollar, while maintaining greater control over the creative product. It certainly seems like a brilliant response to the continuing shift away from traditional advertising and media.

But there are major flaws in this plan. As the editorial points out, an agency has no control over such common occurrences as raw materials shortages, strikes and competitive breakthroughs. They also have no say in production levels, product pricing, sales and distribution, and a host of other essential pieces crucial to the entire marketing puzzle.

It surely appears that DDB Needham has offered to take on a risk far greater than the return. There are just too many unforeseeable roadblocks in the path from advertising idea to consumer sale for it to work as well in practice as it may on paper.

Our company has had such arrangements in the new-product area and has learned that, even though the concept and strategy are on target, there are innumerable ways to derail a sure bet.

The DDB plan is a bold effort, but will inevitably fall short. After all, it would require clients to relinquish some of the control they've regained in the past decade. And that is not likely to happen today.

Frank Hone
President
S&H New Products
River Edge, N.J.

To Herzbrun's defense

I found David Herzbrun's book, "Playing in Traffic on Madison Avenue," to be a thoroughly delightful read. I especially enjoyed the chapter covering the Ogilvy years, which you excerpted in your April 23 issue, since I was on hand at the time.

I was a bit puzzled to read a letter in your June 11 issue which claimed that none of Ogilvy's top management could recall a particular incident involving the Sears account. It certainly had quite an impact on David, since it caused him to resign from the agency.

Bob Cox
President, Cox Landey & Partners
New York

As one of David Herzbrun's writers when he pitched Sears, I was cross to see anyone questioning that episode in David's book. It's the utter, mere truth—just how it happened.

The fact that David is so entertaining doesn't mean he exaggerated. He didn't have to.

Cynthia Beck
Senior VP, Young & Rubicam
New York

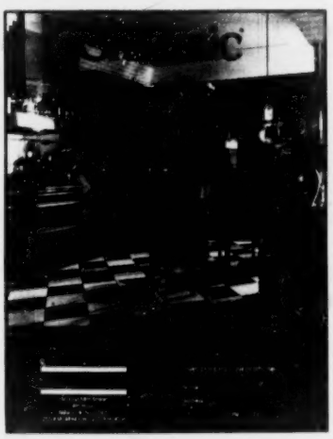
The 'Newsday' combo

The "Top 100 newspapers by daily circulation" listing (AA, May 7) had only one entry for the New York tri-state *Newsday* family, "(New York) Newsday."

If this is a composite of *Newsday*, the Long Island paper, and New York *Newsday*, which claims to be a NYC paper, then I don't think the combo has earned its No. 8 ranking.

Ira J. Friedman
Brooklyn, N.Y.

Editor's note: ABC's FAS-FAX lists only the combined figure and Newsday *offers advertisers the combined circulation, thus qualifying for the combined figure.*



Get the white ink

I was ready to buy a new kitchen, but I couldn't find my pen with white ink. . . . This ad leads one to hope that they don't let the ad director near the kitchen blueprints.

In commemoration of the 60th anniversary of *Ad Age*, I'd like to suggest an Incompetence Hall of Fame feature collecting examples of coupons with drop-out type over the years, with special mention for those offering planning and design services.

Charles G. Salmans
New York

Anti anti-smokers

In a recent letter (AA, June 4), New Jersey anti-smoker John Slade claims that "future cigarette sales depend on addicting new smokers before they are out of high school." This is as nonsensical as saying future real estate sales depend on selling mortgages to high school students.

Mr. Slade's comment is a textbook example of the way anti-smokers attempt to use the issue of youth as an excuse to harass and restrict the behavior of adult smokers and their access to product information. The truth is, Mr. Slade objects to all tobacco advertising and sponsorships, and the fact that tobacco advertising is addressed solely to adults who choose to smoke does nothing to dispel his opposition. . . .

On the other hand, Mr. Slade praises California's government-sponsored media blitz against the tobacco industry. He is delighted by that state's $28 million worth of commercials which portray tobacco executives as callous fat cats hatching their plots in smoke-filled rooms. Perhaps he would not be so delighted to be on the receiving ends of such attacks: if, for example, the tobacco industry were to run ads depicting anti-smokers as blue-nosed prigs and self-appointed moralists with little respect for the rights of others.

Although such advertisements are not contemplated, based on the recent extreme positions sanctioned by anti-smokers, they would be entirely justified.

John R. Nelson
VP-corporate affairs
Philip Morris USA
New York

Truth in smoking

In your editorial (AA, June 11) you say that limiting the sale of cigarettes to minors will allow "cigarette makers to advertise truthfully to adults, including young adults." My heart leaps at the thought of cigarette makers advertising "truthfully."

I await the first Marlboro ad that tells young men that smoking will cut 18 years off their lives. Or the first Virginia Slims ad that advises women that smoking during pregnancy seriously damages the health of their unborn children.

Cigarette makers have always been free to truthfully advertise what cigarettes do to people who are addicted to them. They have never advertised that truth in the past. What makes you think they are going to start now?

Joseph M. Valerio
President, Marketing Dynamics
Rochester, N.Y.

The Oreo Blues

It gave me the blues recently to see that the marketers of Oreo cookies (a unique original, I always assumed) think that an imitation is as good as the original.

In their TV spot the copy asks, "Ever wonder what made Chubby Checker think of the Twist?" implying that he was the creator of this "oldie but goodie." The writer should know that Chubby's version was, in fact, a much less satisfying imitation of the original by R&B great Hank Ballard and the Midnighters.

Bob Foster
Foster & Assoc.
San Antonio, Texas

A capital section

I was impressed with your Washington supplement (AA, June 11). As the publisher of one of the District's oldest community newspapers, I can appreciate the complexity faced in putting this together in such a cogent and interesting manner. Congratulations on a job well done!

P.L. Wolff
Publisher, *The InTowner*
Washington

CORRECTIONS & CLARIFICATIONS

■ In the *Ad Age* 300 top magazines ranking (June 18, P. S-6), *Playboy* should have ranked 23rd; correct total gross revenues were $144.1 million.

■ The following corrections pertain to the "Sales Promotion Agency Report" published April 30: Frankel & Co.'s listing on the sales promotion agency chart should have indicated its gross revenue total was verified by an outside accountant (P. S-2); Noble Communications' sales promotion billings were transposed for 1989 and 1988, so that the 1989 figure should have been $8,378,500, which would rank Noble 25th instead of 39th among ad agencies based on their sales promotion billings (P. S-3); Keller Crescent Co., No. 30 on the sales promotion agency chart (P. S-2), should have been on the chart ranking U.S.-based ad agencies by their sales promotion billings, where it would have been No. 7. □

FREEZE FRAME

Bill Whitehead

"How about throwing in a promotional budget?"

Danger of flashing lights

I have been fascinated with advertising since I was about 10 years old. That's when I first saw Cary Grant in "Mr. Blandings Builds His Dream House."

For the life of me, however, I cannot understand why major advertising agencies insist on using flashing lights in their television commercials. Don't they understand that there are people such as myself with epilepsy? My seizures (of the grand mal type) are a result of being photosensitive. Translated, that means sensitive to flashing lights.

Oh, I know, I could turn away when the flashing light commercials come on, but would you like me, as a consumer, to block out your product? I'm not the only person with epilepsy; we're about 2 million strong. I'm sure not all of us are photosensitive, but how many are?

I don't want to threaten anyone. I just ask that ad agencies be more aware. After all, isn't the '90s the decade of awareness?

Anne-Marie Norizsan
Bayside, N.Y.

Advertising Age *welcomes letters to the editor, but we ask that they be held to no more than 250 words in length. Address letters to* Advertising Age, *Viewpoint Editor, 220 E. 42nd St., New York 10017.*

WORTH WRITING FOR

Slide-Charts can build sales, cut costs and increase profitability by making your products easier to buy, easier to sell. Our brochure shows you how and makes you an offer you shouldn't refuse—A FREE ANALYSIS of your data and a FREE LASER SKETCH to demonstrate how Slide-Chart promotion power can enhance your business.

Now's the time to put a Perrygraf marketing program to work for you.

DON'T HESITATE. . .
THERE IS NO COST OR OBLIGATION

Yes! I accept your free offer. . . Help me get started!

Name _____ Title _____
Company _____
Address _____
City _____ State _____ Zip _____
Phone _____ Fax _____

SINCE 1934 PERRYGRAF® 19365 BUSINESS CENTER DRIVE • NORTHRIDGE, CA 91324-3552 (818) 993-1000 • (800) 423-5329 • FAX: (818) 993-7572 (24 hrs.)

MEDIAWORKS

BROADCAST-INC.

Network clutter on the rise

Program and business-side developments in broadcasting.

Clutter up. If it seems like there are more commercials on network TV today, it's not your imagination. The American Association of Advertising Agencies and Association of National Advertisers have proof that time set aside for commercials on the Big 3 networks is rising *(see charts)*.

The two groups commissioned Advertising Information Services to monitor program and non-program activity on the networks during the week of Nov. 8-14 and for daytime shows Nov. 13.

Although the networks claim self-imposed guidelines limit their amount of commercial time, all three exceed the old National Association of Broadcasters non-program material standards of 10 minutes per hour in prime time and 16 minutes per hour in all other dayparts. A lawsuit brought the death of the NAB commercial code in the 1970s.

The results of the 1989 report are somewhat startling. The number of minutes of non-program material per hour—commercial and billboard time—in prime time on ABC and CBS reached record highs in 1989—10 minutes, 42 seconds and 11 minutes, 40 seconds, respectively—while NBC declined from seconds to 10 minutes, 58 seconds. Fox Broadcasting Co., measured in the study for the first time, had even more non-program material per hour, 13 minutes, 23 seconds.

The number of commercial messages per network pod didn't increase in 1989, the report found. NBC was unchanged while the average number of spots in different length pods in different dayparts decreased on CBS and NBC.

In a limited monitoring of syndicated series, the report showed "Star Trek: The Next Generation" had 14 minutes, 10 seconds of non-program time (7 minutes of national commercial/billboard time and 7 minutes, 10 seconds of local commercials/promotions), the most among 1-hour shows monitored. "A Current Affair" totaled 9 minutes of non-program time (1 minute national commercial, 30 seconds national promotion and 7 minutes, 30 seconds local commercial/promotion) during its half-hour telecasts, while "Entertainment Tonight" had 8 minutes, 33 seconds. Syndicated repeats of "The Cosby Show" had 8 minutes, 10 seconds, while "Jeopardy!" had 7 minutes, 38 seconds.

Tee time. Helene Curtis Industries, General Mills, Sara Lee Corp., Sharp Electronics Corp. and Toyota Motor Sales USA have committed to ad time on the Crosby 1990 celebrity golf tournament. The telecast will be syndicated to TV stations for airing July 7 to 29. Program Syndication Services, a unit of Saatchi & Saatchi Advertising, New York, has cleared 110 stations, including the top 25 markets.

Educated launch. The Discovery Channel, with the Public Broadcasting Service; WNET-TV, New York; and WGBH-TV, Boston, is exploring the feasibility of launching a cable TV service focused on education. PBS President Bruce Christensen characterized the discussions as in the "early" stages but said the project would involve a partnership with the more than 175 PBS affiliates. □

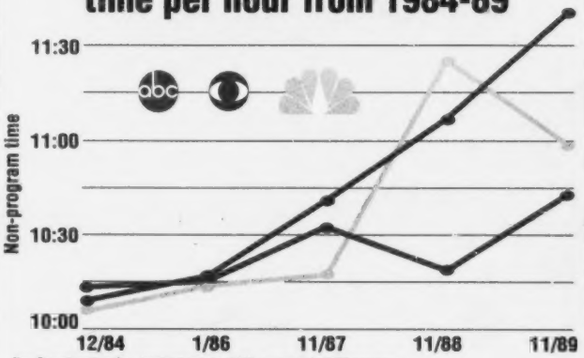
What's on when the show's not

Minutes per TV hour devoted to commercials and network promotions instead of programs, by daypart.

Network	Network prime-time	Network daytime	Early morning	Late fringe	Evening news*
abc	10:42	16:39	14:42	9:00*	7:45*
CBS	11:40	16:45	14:06	16:42	6:44*
NBC	10:58	16:37	13:12	15:34	7:14*
FOX	13:23	—	—	—	—

* Per half hour. Fox was monitored Sat.-Mon., its three nights of regular programming.

Changes in total non-program time per hour from 1984-89



Fox Broadcasting Co., tracked only in 1989, averaged 13:23 per hour.

Source: '89 Television Commercial Monitoring Report, sponsored by the Association of Advertising Agencies and the Association of National Advertisers

Cynthia Watson

COVER STORY

Brains and brawn in June spotlight

By Janice Kelly

Cover Story is a monthly ranking of celebrities' popularity as reflected by their appearance on the covers of more than 30 of the nation's leading publications.

Editors went on a spring cleaning spree in June, packing away old standbys and introducing a new lineup of hot celebs. The principal winners were an odd couple: muscleman-turned-actor **Arnold Schwarzenegger** and Soviet leader **Mikhail Gorbachev**.

Magazines and adoring fans seem star-struck with Mr. Schwarzenegger after a month when he appeared everywhere. And a few highly charged publicity campaigns haven't hurt, hyping his latest action-thriller, "Total Recall," his chairmanship of the President's Council on Physical Fitness & Sports and the birth of his daughter, Katherine Eunice Schwarzenegger.

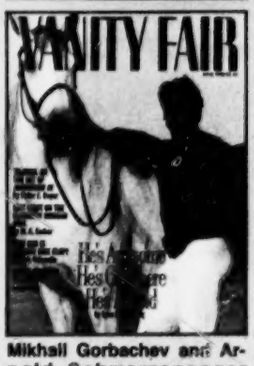
Several celebrity and men's publications on the newsstands in recent months have carried stories about him, even if his face wasn't on the cover. But often it was, earning Mr. Schwarzenegger 15.5 points in the June Cover Story survey.

Cover Story assigns point values to cover appearances based on factors including prominence of the photo and frequency of the publication.

Gracing at least three covers already in July, Mr. Schwarzenegger could keep the Cover Story crown for two months running.

Balancing out the Schwarzenegger hype in June were newsweekly profiles of a subject publications could take more seriously: Mr. Gorbachev, the subject of many cover stories with the predictable summit spin. The Soviet leader scored 15 points to take second place.

If anyone could make waves with readers without even splashing, it's **Elizabeth Taylor**. Ms. Taylor tied for third with 8 points when supermarket tabloids continued to speculate on whether she's really recovered from her "mysterious disease." She tied with actor **Mel Gibson**, starring with Goldie Hawn in the comedy film "Bird on a Wire."



Mikhail Gorbachev and Arnold Schwarzenegger caught the public's eye in June, for different reasons.

A three-way, fifth-place tie goes in part to the hottest U.S. couple since Sonny and Cher: **Warren Beatty** and **Madonna**. The duo is grabbing headlines with their summer blockbuster film "Dick Tracy" and their on-screen and off-screen romance, earning 7.5 points each in the June survey.

Sammy Davis Jr. earned 7.5 points in the June tally, bringing his 1990 total to 15 points since his death earlier this year.

Eighth place saw a tie between the oddest couple since Unger and Madison: **Donald Trump** and **Marion Brando**. Both have encountered adversities that will change their lives. The Donald is having a troublesome year: first a rift with wife Ivana, then rumors of an affair with March Cover Story queen Marla Maples and now talk that his empire could crumble under financial problems.

Mr. Brando's crisis is a different story: his son, Christian, has been charged in the murder of his sister's lover.

Other celebrities whose faces stared back at us from the newsstands in June included actress **Julia Roberts** and comedian/talk show host **Arsenio Hall**, earning 5.5 points each and tying for 10th. □

NEWSSTAND

Print advertising opportunities.

Careers Magazine, New York, "Back to school" special editorial section, September issue; ad close: July 10. B&w page: $11,890; color page: $16,650.

Inside Sports, Evanston, Ill., "NHL" special editorial section, October issue; ad close: July 10. B&w page: $12,885; color page: $19,230.

USA Today, New York, "Goodwill Games" special editorial section, July 20 issue; ad close: July 9. B&w page: $65,498; color page: $85,147.

Crain's New York Business, New York, "Westchester/Fairfield market" special editorial supplement, July 30 issue; ad close: July 12. B&w page: $8,750; color page: $10,400.

Tennis, Trumbull, Conn., "U.S. Open preview" special editorial section, September issue; ad close: July 12. B&w page: $23,250; color page: $34,870.

Parade, New York, "Fresh ideas for tomatoes" special editorial section, Aug. 26 issue; ad close: July 13. Color page: $316,500.

Spy, New York, "Fall fashion" special ad supplement, September issue; ad close: July 13. B&w page: $8,986; color page: $13,478.

Spotlight, Mamaroneck, N.Y., "Home design guide" special advertising supplement, mid-August issue; ad close: July 15. B&w page: $5,500; color page: $6,500.

Atlanta Business Chronicle, Atlanta, "Advertising and PR all-stars" special editorial section, July 23 issue; ad close: July 16. B&w page: $2,240; color page: $2,840.

Life, New York, "100 most important Americans of the 20th century" special editorial section, fall issue; ad close: July 16. B&w page: $49,520; color page: $66,560.

Parents, New York, "What to feed your kids" special editorial section, October issue; ad close: July 16. B&w page: $35,790; color page: $45,820. □

NEW AD RATES

Kid City Magazine, New York: Rate base to 275,000, up 10%; color page to $7,894, up 14.4%; color cost per thousand to $28.71, up 4%. Effective: September issue.

Sesame Street Magazine, New York: Rate base to 1.225 million, up 2%; b&w page to $35,790, up 8%; color page to $37,044, up 8%; b&w CPM to $29.22, up 5.8%; color CPM to $30.24, up 5.8%. Effective: September issue.

Snow Country, Trumbull, Conn.: Rate base to 250,000, up 11%; b&w page to $9,229, up 10%; color page to $12,640, up 10%; b&w CPM to $36.92, down 1%; color CPM to $50.56, down 1%. Effective: September issue.

3-2-1 Contact, New York: Rate base unchanged at 400,000; color page to $8,778, up 7%; color CPM to $21.95, up 7%. Effective: September issue.

Utne Reader, Minneapolis: Rate base to 200,000, up 14%; b&w page to $5,370, up 14%; color page to $7,790, up 14%; b&w CPM unchanged at $26.90; color CPM unchanged at $39. Effective: July/August issue. □

Wayne Walley coordinates MediaWorks.

Grey crafts $10M unwired TV deal

By John McManus

National advertisers, always looking for bargaining leverage against the Big 3 TV networks, are finding independent stations more attractive—and accessible.

Grey Advertising, which played a role in Procter & Gamble Co.'s $18 million, two-year "unwired network" ad deal with Katz Television Group in May, is at it again on behalf of several clients, including Block Drug Co. and Red Lobster.

New York-based Grey has taken $10 million earmarked for upfront spending on the broadcast and cable networks and syndicators, and placed the money into an unwired network of stations that clear 85% to 95% of the country.

The buy was made via Katz and Blair Television.

Unwired networks have been around for more than a decade. But cumbersome paperwork and logistical problems, including trouble getting adequate audience delivery information, have prevented many advertisers from making timely buys.

"We've been buying unwireds for 10 years," said Jon Mandel, senior VP-director of national broadcast at Grey. "But as an industry, there was previously no system for us to judge independents vs. network."

Now, under a new initiative spearheaded by Lana King, VP-marketing for the Association of Independent Television Stations, stations have streamlined the negotiating, buying and audience-measurement process.

The stations involved have put time availabilities into a pool so negotiations can be done on a national basis.

"It's the beginning of an opportunity to tap into a significant amount of new money," Ms. King said. "We're going to market plans like this to other agencies."

"Because of what's been done here, we have a viable, actionable alternative to networks in several dayparts," Grey's Mr. Mandel said. "We can make a national buy, get national coverage on a competitive national [cost per thousand] with national ratings, on a national network. The reps and stations have learned to do their homework."

He said he would consider further unwired network proposals as he divvies up his agency's $300 million to $400 million in scatter spending during the next year.

Katz, Blair, Petry and Seltel are the national sales reps that so far have submitted proposals to Grey.

Some national reps and stations contend an unwired network deal "devalues" a station's inventory. Individual stations have been able to command higher prices in the national and local spot marketplaces than they could when they sold the time as part of an unwired network.

But faced with a flattening national spot market, some TV stations and their national sales reps have more aggressively sought access to new sources of ad revenues.

The pooling is "a way for broadcasters to get some money converted back into spot," said James Murtagh, senior VP-general manager at Seltel. "It's much more costly for the reps because we're being asked to do all the back-office work. But because the marketplace is flat, stations are looking to replace the dollars shifted out of spot." □

Upfront sales

(Continued from Page 3)

the alternatives."

The smaller demand for network time softened the average network CPM increases. Network and agency sources said increases settled at an average of 10% to 12%, depending on program mix and desired demographics.

However, competitive categories such as automakers and movie studios paid significantly higher prices, as reported.

Agency and network sources said some ad packages at ABC and NBC included CPM increases of 18% or more, while CBS, thanks to the influx of lower-price inventory on new shows, put together some packages with increases as low as 5%.

But CPM costs can be misleading.

"CPM is just a convenient shorthand. . . . a network source said. "If you want a lower CPM, you just change the program mix. If you buy more new shows, chances are you'll have a much lower CPM."

The emergence of Fox as a true competitor to the Big 3 also tempered spending on ABC, CBS and NBC.

"Fox is out of the closet as a competitor; that's what the spoiler was," a Big 3 source said.

Industry estimates vary, but NBC once again topped the four networks in upfront sales at an estimated $1.5 billion, down 6.2% from last year.

ABC set company records for gross upfront sales, average unit prices and CPMs, said Jake Keever, exec VP-sales. He declined to give specifics, but industry sources said ABC's sales totaled about $1.4 billion.

Depending on the source, CBS finished the prime-time upfront with sales either as low as $850 million or as high as $1 billion.

Estimated upfront sales for Fox were between $525 million to $550 million, almost double last year's $306 million.

Network estimates showed the movie studios spending about 24% more in the upfront market this year, while the beverage industry hiked spending by as much as 52%, reflecting increases by smaller players in the category.

Fast-food spending rose about 15% while package goods, one of the largest network ad categories, was up 8.8%.

On the downside, automotive spending was flat or below last year's level while retail spending was down 12%. Drug company spending was also off "significantly," network sources said.

Ratings guarantees, expected to be an explosive issue, turned into a non-item in negotiations as advertisers accepted the network-adopted policy designed to limit liability for make-goods if TV usage levels inexplicably drop again during the 1990-91 season.

"One or two clients didn't buy time or cut back on network spending because of the policy, but they will spend the money in the scatter market," ABC's Mr. Keever said. "The buyers recognized the problem, and it seems they figured if the situation does exist and TV usage drops, it's better to have some form of a guarantee."

With prime-time buys complete, attention started to turn toward network news, daytime and late-night.

Network sources said initial daytime budgets submitted by advertisers are up about 7% over last year, and the network news market is expected to be "healthier" than prime time.

Late-night sales could also be a buyer's market with the introduction of ABC's "Into the Night With Rick Dees" and a new CBS entry.

In syndication, "The Arsenio Hall Show" is already commanding CPM increases of 30% to 40% and unit costs in the $40,000 range.

"There's been a narrow supply source in the daypart, and clients are eager for more competition," a network executive said. "ABC and CBS are positioned to be a good buy." □

Fast-food

(Continued from Page 1)

its fries in vegetable oil and added several low-fat menu items, including low-fat frozen yogurt.

Hardee's Food Systems had already switched to vegetable oil for fried foods. The No. 3 chain is now rolling out a new burger called The Lean 1, 30% lower in fat than its other burgers. Wendy's International publicly proclaimed its burgers are already lower in fat than The Lean 1.

Gallup in May asked a nationally projectable sample of 1,001 adults whether they were aware of "any claims that a fast-food hamburger restaurant cooks its products in animal fat, which has an impact on the cholesterol level of users of its products."

Three in 10 people polled (31%) said they were aware of the charges, 68% said they were not aware and 1% was undecided.

Awareness was lowest (23%) among adults ages 18 to 34, the heaviest consumers of fast-food.

Among respondents ages 35 to 54, 34% were aware; 37% of those 55 or older said they had heard of the charges.

Those who said they had heard about the controversy were asked which fast-food chain the health claims were made about, and 65% identified McDonald's.

Burger King Corp. was identified by 5%, while 22% said they weren't sure which chain had been criticized.

Asked whether the criticisms have caused them to increase or decrease usage of the chain they identified as the target of the charges, 39% said they've "somewhat decreased" or "greatly decreased" their patronage.

Better than half (59%) said the charges had no effect on their consumption patterns, and 3% said they've either increased consumption or are unsure. (Figures exceed 100% due to rounding.)

The problem Burger King, Hardee's, Wendy's and others face, along with McDonald's, is that similar percentages said the charges have affected their patronage of fast-food restaurants in general.

Beyond their patronage at the chain they identified as the target of the charges, 38% say general usage has dropped somewhat or greatly, and 59% said it's unchanged. Four percent said their usage increased.

Among people ages 18 to 34, 37% said their patronage of fast-food restaurants has decreased.

Concerns about fat and cholesterol "are a problem that the industry as a whole is going to have to wrestle with," said Steve Rockwell, restaurant analyst with Alex. Brown & Sons.

"The news coverage of [Mr. Sokolof's ad] appeared to indict the whole fast-food industry," he said. "And I think they'll have to fight the issue together."

Respondents were also asked how many times in the previous month they had eaten at or bought food for takeout from McDonald's.

Among 18-to-34-year-olds, the mean number of visits was 3.01. For 35-to-54-year-olds, the mean was 1.86, and it was 1.06 for those 55 or older.

The telephone survey had a margin of error of plus or minus 3.1%.

Asked for comment on the survey, McDonald's VP-Communications Chuck Rubner said the question asking respondents if they had heard about the claims that cooking in animal fat has an impact on the cholesterol level was "negatively written and likely to receive a negative answer as a result."

As to the survey's indication that more than one-third of respondents have decreased their patronage, Mr. Rubner said McDonald's has seen "no impact at the sales counter as a result of Mr. Sokolof's ad." □

Tampons

(Continued from Page 1)

you'd feel good knowing that more women trust their bodies to the tampon that's very, very kind to the earth. Flushable Tampax tampons. Biodegradable since 1936."

The commercial originally ran in April for Earth Day but has been recut to a 15-second spot from a :30 for regular airing.

Tampax is also flagging its cardboard applicator products with: "Flushable and biodegradable—tampon and applicator."

In July, the company starts running trade ads in *Progressive Grocer* and other supermarket publications stating, "What's good for the environment is good for your business."

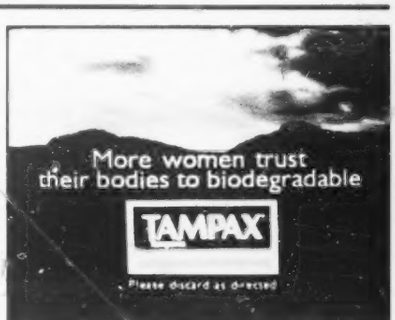
Styled as an open letter from Tambrands Chairman-CEO Martin Emmett, the retail trade ad says: "All tampons and tampon applicators, including plastic applicators, are lighter and more compact than bulky pads, use less raw materials and take up less space in landfills" than sanitary napkins.

The ad goes on to note that "over the next year, all Tampax packaging will be made from recycled board (currently 90% is)" and that Tambrands "plans to educate women on the environmental benefits of tampons through promotions, publicity and package inserts."

The campaign could have a major impact, since Tampax leads the $600 million segment, said Prudential-Bache Securities analyst Andrew Shore. "When o.b. yells, only a few people will listen, but if Tambrands does it, it'll become the next wave," he said.

The ads may also be good for Tambrands' business, since they advocate the use of tampons—the company's flagship product—as environmentally superior to sanitary napkins, a market in which Tambrands' Maxithins is doing poorly.

The ads, all from Ally & Gargano, New York, "are just two parts of a more extensive environmental campaign" involving trade and consumer promotion as well as package inserts, said Bruce Garren, Tambrands group counsel.



In a new TV spot, Tampax says its tampons have been "biodegradable since 1936."

Playtex Family Products will also be talking about environmentalism in local newspaper ads this summer in New Jersey and Massachusetts, a spokesman said.

The ads, which ran last summer in those states, urge consumers to "dispose of tampon applicators in the trash . . . not the toilet" because "flushing the applicators can cause household plumbing problems, and the applicators can eventually appear on beaches and shorelines." Grey Advertising, New York, is the agency. Unlike Tampax, all Playtex's applicators are plastic.

Kimberly-Clark Corp., marketer of Kotex tampons, plans no environment-oriented advertising or promotion.

Ms. Cadwell said the average woman uses 240 tampon applicators a year. Mr. Shore estimated their contribution to solid waste is too small to be measured.

Tampax had a 60.3% share of the tampon segment in April, followed by Playtex, 25.8; o.b., 7.6%; and Kotex, 5.2%. □